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**BEFORE THE SURFACE TRANSPORTATION BOARD**

**IAM - 2**

**In the Matter of:**

**STB Docket No. AB-1075X**

**MANUFACTURERS RAILWAY COMPANY - DISCONTINUANCE  
EXEMPTION - IN ST. LOUIS, MO**

ENTERED  
Office of Proceedings  
MAY 3 - 2011  
Part of  
Public Record

**COMMENTS OF THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND  
AEROSPACE WORKERS IN OPPOSITION TO THE PETITION FOR EXEMPTION**

The International Association of Machinists and Aerospace Workers ("IAMAW") represents the four machinists employed by Manufacturers Railway Company ("MRC"): (1) Robert G. Wolfe, service date - August 6, 1973; (2) Darrell L. Foster, service date - September 4, 1973; (3) Mark E. Litteken, service date February 5, 1979; and (4) Dave A. Knebel, service date - February 3, 1998. By letter dated March 22, 2011, MRC notified IAMAW that it would be ceasing operations shortly, and that subsequently, these four employees would no longer have a job. (Exhibit A).

In its March 24, 2011 Petition for Exemption, MRC requests this Board exercise its discretion and not impose labor protective conditions. (Petition at 7). Two other unions representing employees of MRC, the Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters ("BMWED") and the United Transportation Union ("UTU"), filed comments in opposition to the Petition on April 1, 2011 and May 2, 2011, respectively. Therein, the unions argued that the exceptions to the general rule that the STB should impose labor protection in discontinuances were not intended to apply to the facts here.

We concur with the arguments made by the BMWED and the UTU. In particular, we emphasize the equities of the matter. As the Interstate Commerce Commission has said:

Although we have not generally imposed such conditions in cases involving abandonment of an entire line of railroad, there is no statutory prohibition on our doing so and, where circumstances make such action reasonable and in the public interest, it is our duty to afford protection to employees who may be adversely affected by such an abandonment. (citing *Interstate Commerce Commission v.*

*Railway L. E. Assn, 315 U.S. 373).*

...

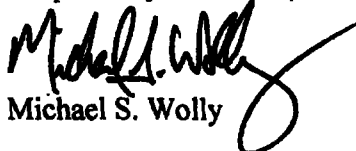
From the above (315 U.S. 373) it is clear that the ultimate objective and primary justification for labor conditions are not the private benefit of particular employees, but the strengthening of the national transportation system through avoidance of the unstabilizing effects which result from the displacement of labor without protection.

*East Carolina Ry. Abandonment of Entire Line Between Tarboro and Farmville, N.C., 324 I.C.C. 506, 520-21 (1964) (quoting Savannah Union Station Company Abandonment of Entire Line, decided April 25, 1962, (embraced in Finance Docket No. 21498, Seaboard Air Line R. Co. Trackage Rights, 312 I.C.C. 797).*

Here, ultimately the corporate parent of MRC is AB In-Bev, a highly profitable multinational corporation. (BMWED submission at Exhibit 2). The brewery is also ultimately owned by AB In-Bev, and it will continue to receive inbound rail traffic, albeit from another unrelated entity, with unrelated employees. (MRC Reply at 8). Thus, the same work will continue to be performed by individuals other than the employees represented by IAMAW, who have worked for the Carrier for years, and who are entering the latter stages of their careers, and will thus likely find it difficult to obtain alternative employment in this industry.

The exceptions to labor protection referenced by MRC were never intended to apply to such circumstances, especially where the corporate parent is more than capable of providing the labor protection necessary to safeguard the interests of the few employees who will be affected. The alternative - the displacement of long time employees in order to substitute new employees to perform the same work - is not consistent with our national rail labor policy, and must be avoided. Accordingly, the STB should not exercise its discretion to exempt MRC from the obligation to provide labor protection to its employees.

Respectfully submitted,

  
Michael S. Wolly

Jordan S. Kaplan  
ZWERDLING, PAUL, KAHN & WOLLY P.C.  
1025 Connecticut Avenue, NW Suite 712  
Washington, D.C. 20036  
(202) 857-5000

Attorneys for IAMAW

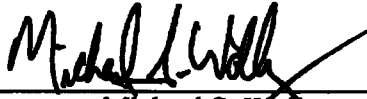
**CERTIFICATE OF SERVICE**

This is to certify that the foregoing Comment was served upon the following parties of record in this proceeding by first-class mail this 3<sup>rd</sup> day of May 2011.

Clinton J. Miller, III, General Counsel  
Erika A. Diehl  
United Transportation Union  
24950 Country Club Blvd., Suite 340  
North Olmsted, OH 44070-5333

Donald F. Griffin  
Director of Strategic Coordination and Research  
BMWED-IBT  
1727 King Street, Suite 210  
Alexandria, VA 22314

Paul A. Cunningham  
Matthew W. Ludwig  
Counsel for Manufacturers Railway Company  
Harkins Cunningham, LLP  
1700 K Street, NW, Suite 400  
Washington, D.C. 20006-3804

  
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Michael S. Wolly

# **EXHIBIT A**



**Manufacturers  
Railway Company**  
ONE OF THE ANHEUSER-BUSCH COMPANIES

**Tom Buschmann**  
**Director, Human Resources**  
**Phone (314) 577-1708**  
**Fax (314) 577-1786**  
**E-mail: Tom.Buschmann@anheuser-busch.com**

**March 22, 2011**

**Mr. Don Hall, General Chairman**  
**International Assn. of Machinists & AW**  
**3065 Highway 367 South Suite 9**  
**Cabot, AR 72023**

**RE: Manufacturers Railway Company (MRC)**

**Dear Mr. Hall:**

As you probably realize, operating a competitive railway has become increasingly difficult. Our business has been in a steady decline for the last several years. The number of rail customers has decreased consistently over this time. At this point, the few customers serviced by MRC no longer send or receive shipments by rail, and Anheuser-Busch (A-B) now only receives grain by rail. As a result of all these changes, MRC can no longer operate a full-service railroad. This was certainly not an easy decision to make, but MRC has no other choice but to close its business operations.

In order to cease operations, MRC must petition the Surface Transportation Board (STB) in Washington, D.C. We anticipate filing this petition on or about March 24, 2011. After the filing, MRC expects a decision on whether it can cease operations in approximately four and one-half months. Obviously, we will notify you of any final decision by the STB, and the cessation of MRC's business operations, will only commence when authorized. Assuming authorization, all four employees represented by the International Association of Machinists will no longer have a job with MRC.

In conjunction with this notice to you, MRC is contemporaneously notifying the National Railway Labor Conference (NRLC) of its intent to withdraw from national bargaining. Accordingly, MRC will be available to meet with you in order to discuss the effects of its decision to discontinue its business operations. MRC suggests that these discussions be held at MRC offices in St. Louis, Missouri. Please contact me to set up a mutually convenient time for these discussions.

In that regard, please be advised that one of the topics MRC is willing to discuss is an appropriate incentive for employees to keep working for MRC in order to keep operations ongoing between the time of the filing of the STB petition, until the final decision/approval of the STB. Finally, please keep in mind that any and all discussions, and any agreements reached therein, must be made contingent upon a final STB decision that will permit the cessation of MRC's business operations.

I want to tell you how much MRC has valued the contributions made by all the employees represented by the International Association of Machinists for the last 125 years. We do not take this step lightly, nor do we take it without a deep and abiding appreciation for all the committed service to MRC shown by your members. We wish you and our employees nothing but the best in the future. We look forward to meeting with you.

Sincerely,



Tom Buschmann

cc: Mr. Joe R. Duncan  
President and Directing General Chairman  
International Assn. of Machinists & AW  
P. O. Box 279  
9502 Petros Highway  
Petros, TN 37845